GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:421
ANSWERED ON:28.02.2008
INVESTMENT IN SAIL
Gangwar Shri Santosh Kumar

Will the Minister of STEEL be pleased to state:

(a) whether the Government proposes to invest heavily in the Steel Authority of India Ltd. (SAIL) in order to meet the challenge of proposed heavy investment by Mittal Steel in India;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

THE MINISTER OF STATE(DR. AKHILESH DAS)IN THE MINISTRY OF STEEL

(a)to(c): In order to maintain its predominance in the Indian steel sector and to face global competition, the Steel Authority of India Limited (SAIL) has drawn up an expansion plan covering its five integrated steel plants and special steel plants. SAIL proposes to increase production of hot metal from present level of 14.6 million tonnes per annum (2006-07) to 26.2 million tonnes per annum by the year 2010-11 at a present indicative cost of Rs.54,000 crores.The financing of investment would be met by SAIL primarily from its internal resources and balance from market borrowings, if required.

Besides capacity enhancement, the growth plan adequately addresses the need of SAIL Plants towards eliminating technological obsolescence, energy saving, enriching product mix, pollution control, developing mines & collieries to meet higher requirement of key inputs, introduce customer centric processes and have matching infrastructure facilities in the Plant to support higher production volumes.